

Message Text

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15

ACTION TRSE-00

INFO OCT-01 EUR-12 EA-06 NEA-09 ISO-00 IO-10 AID-05

CIAE-00 COME-00 EB-07 FRB-03 INR-07 NSAE-00 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 L-02 H-02 PA-01 USIA-06 PRS-01

/111 W

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R 280330Z APR 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2695

INFO AMEMBASSY BANGKOK

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COLOMBO

AMEMBASSY COPENHAGAN

AMEMBASSY DACCA

AMEMBASSY HELSINKI

AMCONSUL HONG KONG

AMEMBASSY ISLAMABAD

AMEMBASSY JAKARTA

AMEMBASSY KABUL

AMEMBASSY KATHMANDU

AMEMBASSY KUALA LUMPUR

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

AMEMBASSY OSLO

AMEMBASSY OTTOWA

AMEMBASSY PARIS

AMEMBASSY PORT MORESBY

AMEMBASSY RANGOON

AMEMBASSY ROME

AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

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AMEMBASSY STOCKHOLM

AMEMBASSY SUVA
AMEMBASSY TAIPEI
AMEMBASSY THE HAGUE
AMEMBASSY TOKYO
AMEMBASSY VIENNA
AMEMBASSY VIENTIANE
AMEMBASSY WELLINGTON

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USADB

FOR NAC AGENCIES

E.O. 11652: ADS, DECLAS 4/28/76
TAGS: EAID, EFIN
SUBJECT: ADB ANNUAL MEETING

1. MEETING WENT SMOOTHLY WITH NO MAJOR ISSUES BEYOND CHI REP (REFTEL A MANILA 5184) BEING RAISED. OVERALL TONE WAS LOW KEY. PRESIDENT MARCOS' OPENING SPEECH (REF B MANILA 5341 FOR GENERAL TONE) EXPRESSED VIEWS MANY DEVELOPING MEMBER COUNTRIES ON NEED FOR BANK RESPONSIVENESS TO LDC NEEDS; I.E. INCREASED CONCESSIONAL ASSISTANCE, RESOURCE REPLENISHMENT, PROGRAM LENDING COST OVERRUNS AND LOCAL COST FINANCING WERE STRONGLY SUPPORTED AND INCREASES IN ORDINARY CAPITAL LENDING RATE WERE DEPLORED. SEVERAL SPEAKERS ALSO MENTIONED THE NEED TO TAP OIL RICH COUNTRIES FOR FINANCING. IN HIS OPENING REMARKS MR. INOUE STATED ADB'S POLICY OF VERIFYING ALTERNATIVE SOURCES OF FINANCING BEFORE CONSIDERING SUPPLEMENTAL LOANS FOR COST OVERRUNS. SEVERAL BORROWING COUNTRIES OBJECTED TO THIS POLICY, IN PARTICULAR THAILAND; INDONESIA; AND THE PHILIPPINES. LAOS PRAISED ADB'S PRESENT INVOLVEMENT IN INDOCHINA RECONSTRUCTION AND SWEDEN LINKED TO THE BANK TO BECOME FURTHER INVOLVED IN RECONSTRUCTION OF ALL OF INDOCHINA.

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2. CHI REP ISSUE WAS RAISED BY FOUR COUNTRIES, PAKISTAN, INDIA, SRI LANKA AND NEPAL, WITH ALL OF THEM CALLING FOR PRC MEMBERSHIP IN THE BANK. OUSTER OF THE ROC WAS NOT MENTIONED NOR WERE ANY FORMAL RESOLUTIONS INTRODUCED. PAKISTAN STATEMENT WAS DELIVERED VERBATIM AS REPORTED REFTEL A. INDIA GOVERNOR, WHO FOLLOWED PAKISTAN BY ONE DAY IN ORDER OF SPEAKERS (IN CONTRAST TO LAST YEAR), SAID QUOTE

THE QUESTION OF MEMBERSHIP OF CHINA, I MEAN THE PEOPLE'S REPUBLIC OF CHINA, IS UNDOUBTEDLY VERY IMPORTANT AND I WOULD SUPPORT ANY APPROPRIATE COURSE OF ACTION WHICH WOULD ENABLE CHINA TO PLAY ITS RIGHTFUL ROLE IN THE ADB. I WOULD ALSO LIKE TO SEE THE BANK'S MEMBERSHIP EXPANDED TO INCLUDE OTHER REGIONAL COUNTRIES WHICH ARE YET TO JOIN. ONLY IN THIS WAY CAN THIS INSTITUTION BECOME FULLY REPRESENTATIVE OF THE REGION. END QUOTE. SRI LANKA STATED QUOTE REFERENCE HAS BEEN MADE TO THE ENLARGEMENT OF THE MEMBERSHIP OF THE BOARD. IN PARTICULAR, THE ADMISSION OF THE PEOPLE'S REPUBLIC OF CHINA HAS BEEN URGED. THERE ARE SOME DIFFICULTIES IN THE WAY. BUT, THEY ARE NOT INSURMOUNTABLE, AND CERTAINLY NOT BEYOND THE CAPACITY AND THAGCOMPETENCE OF THE BANK TO SOLVE. WE CAN ONLY ENHANCE THE INFLUENCE AND THE PRESTIGE OF THE BANK BY THE INCLUSION OF A REGIONAL MEMBER AS IMPORTANT AS CHINA. END QUOTE. IN AN ADDENDUM TO HIS SPEECH THE GOVERNOR FOR NEPAL STATED QUOTE WE HAVE HEARD WITH PLEASURE SEVERAL GOVERNORS EXPRESSING THEIR VIEWS ABOUT THE MEMBERSHIP OF THE PEOPLE'S REPUBLIC OF CHINA IN THE ASIAN DEVELOPMENT BANK. MR. CHAIRMAN, NEPAL HAS, OVER THE YEARS, UPHELD THE VIEW THAT THERE IS ONLY ONE CHINA AND THAT IS THE PEOPLE'S REPUBLIC OF CHINA. ANY MOVE THE BANK CAN TAKE TO CORRECT THE PRESENT DAY DISTORTION IN OUR MEMBERSHIP WILL ADD TO ITS STRENGTH AND MAKE IT A TRULY REGIONAL ORGANIZATION. END QUOTE.

3. IN POST MEETING PRESS CONFERENCE INOUE, IN RESPONSE TO INQUIRY, SAID CHI REP MATTER FOR BOARD OF GOVERNORS DECISION. PRC HAS EVERY RIGHT LIMITED OFFICIAL USE

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TO REQUEST MEMBERSHIP, BUT NO REQUEST SO FAR. ON EXPULSION OF ROC, CHARTER PROVIDES FOR EXPULSION ONLY IF MEMBER FAILS TO MEET OBLIGATIONS; BUT, CHARTER COULD BE AMENDED. ON CAMBODIA, INOUE SAID NO DELEGATION HAD COME TO THE MEETING, ADDING HOPED ADB COULD HELP IN POST WAR RECONSTRUCTION GENERALLY.

4. SEPTTEL FOLLOWS ON ADF DONOR MEETING. SULLIVAN

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Message Attributes

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Margaret P. Grafeld
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